

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the
Commission's Own Motion to re-examine the
underlying issues involved in the submetering
discount for mobile home parks and to stay
D.01-08-040.

Rulemaking 03-03-017

Order Instituting Investigation on the
Commission's Own Motion to re-examine the
underlying issues involved in the submetering
discount for mobile home parks and to stay
D.01-08-040.

Investigation 03-03-018

Robert Hambly, for Himself and, On Behalf of the
Residents of Los Robles Mobilehome Park,

Complainant,

vs.

Hillsboro Properties, a California Limited
Partnership, and the City of Novato.

Defendants.

Case 00-01-017

**ADMINISTRATIVE LAW JUDGE'S RULING
SETTING SCHEDULE AND ISSUES FOR PHASE 2**

On December 2, 2003, a prehearing conference was held on Phase 2.
Subsequently, the parties proposed a list of issues and schedule. This ruling
identifies the issues and sets a schedule generally based on the proposal.

THEREFORE, IT IS RULED that:

1. The Phase 2 issues are as follows:

Issue 1 – Should the Commission set a uniform statewide mobile home park (MHP) discount rate?

Issue 2 – If the Commission were to decide not to require a uniform statewide rate:

- A. Where should the discount rate for each utility be determined? In a general rate case (GRC) or equivalent proceeding where rates are set, a separate proceeding, etc?
- B. If the discount rate is to be set in a proceeding that is not limited to just the establishment of the discount, such as a GRC, and the proceeding is settled, how can the Commission ensure that the discount rate complies with Public Utilities Code § 739.5? Should it be set in the same manner as if the settlement had not taken place, or in some other manner? Should the parties proposing the settlement merely be required to make a showing that demonstrates compliance with § 739.5(a)?
- C. Should small utilities be allowed to utilize another method to determine the MHP discount rate in order to avoid the costs involved in utilizing the method used by the larger utilities? Such methods might include using the discount rate authorized for one of the larger utilities, using a ratio of the discount to a residential rate, or some other simplified formula, etc.

Issue 3 – Should the Commission set a uniform statewide rate structure for the master meter discount?

- A. Should the rate structure be a uniform amount per customer per day, a percentage of the bill, other?
- B. Do differences in utility rate design methodology (fixed charges, minimum bill, etc.), billing practices, or other differences between utilities preclude the use of a uniform statewide rate structure for the discount?

Issue 4 – Should the Commission set a uniform statewide method for calculating the master meter discount?

- A. Should there be a uniform method of calculating the cap? If so, how uniform; a single formula into which numbers would be inserted, a more generalized formula that specifies the general components and how they are used in the calculation, guidelines, etc?
- B. Should there be a uniform method of calculating the MHP owner's costs to provide the services that are avoided by the utility due to service through the master meter? If so, how uniform; a single formula into which numbers would be inserted, a more generalized formula that specifies the general components and how they are used in the calculation, guidelines, a survey method, etc? To the extent a calculation method relies on information to be obtained from MHP owners, are their records generally sufficient to provide such information?
- C. Should the MHP discount rate be set at the cap, thus avoiding the need to determine the MHP owner's costs? If so, would it likely result in overcompensation of the MHP owners?
- D. The cap is based in the utility's average costs. If the marginal cost, or some other method, can be shown to be substantially equal to the average cost, then should its use as a proxy for the average cost be allowed?

Issue 5 – Are there fair and reasonable ways to mitigate the cost to MHP owners of converting existing submetered systems to directly metered service beyond the conclusions reached in Decision 95-08-056? (This question will only be addressed in Phase 2 to the extent specified in A and B below.)

- A. Code Sections 2791-2799, and other legal or statutory limitations, apply to such transfers. To what extent, if any, do they limit what the Commission can do in response to this question?

- B. Are MHP owner records generally sufficient to allow an examination of whether MHP owners as a whole have been adequately reimbursed through the discount, and/or by some other means, for the MHP Owners' average costs of installing, operating and maintaining the submetered system?

Issue 6 – Are there requirements that should be placed on MHP owners to insure that the discounts are used to pay for the intended expenditures, to facilitate gathering data to be used in determining MHP owner costs for use in setting the discount rate, or for some other reason?

Issue 7 – Should the Commission revise the methods and/or formulas by which refunds are currently paid to submetered tenants by MHP owners? If so, how?

2. The issues that involve only policy and/or legal issues, and will be addressed only in briefs, are Issues 1, 2.A, 2.B, 2.C, 4.D, 5.A.

3. All other issues will be addressed in the hearings.

4. The schedule is as follows:

- Testimony – April 6, 2004
- Rebuttal Testimony – May 10, 2004
- Hearings – June 7-11, 2004
- Briefs – July 6, 2004
- Reply Briefs – July 19, 2004
- Administrative Law Judge's Proposed Decision – September, 2004

Dated January 29, 2004, at San Francisco, California.

/s/ Jeffrey P. O'Donnell
Jeffrey P. O'Donnell
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Setting Schedule and Issues for Phase 2 on all parties of record in this proceeding or their attorneys of record.

Dated January 29, 2004, at San Francisco, California.

/s/ Antonina V. Swansen

Antonina V. Swansen

N O T I C E

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